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ASSOCIATION OF BAY AREA GOVERNMENTS

HOTEL CLAREMONT, BERKELEY, CALIFORNIA 94705 • 843-7118

Proposed budget 1.1

REPORT TO: Executive Committee
FROM: Finance Subcommittee
DATE: December 28, 1966
RE: Budget for 1967-68

Submitted herewith are the Finance Subcommittee's recommendations for the 1967-68 Budget of the Association. As in prior years, the recommendations are based upon the proposals prepared for the Subcommittee by the Executive Director as modified by the Subcommittee.

Exhibits A, B, and B-1 provide the detail of the Subcommittee's recommendations as to revenues and expenditures and are offered to the Executive Committee for consideration and transmittal to the General Assembly as per the Bylaws.

As noted on Exhibit "A", the Budget reflects a substantial reduction on total cost, due primarily to the termination of the ABAG-BATSC "701" Project. The amount recommended for all Association operations for 1967-68 is $133,256, compared with $144,330 for 1965-66 and $228,506 for 1966-67.

The appropriations recommended for general operations reflect the Subcommittee's thinking as to the minimum amounts which are required for the Association to meet existing commitments and to prepare for future needs.

REGIONAL PLANNING PROGRAM

The appropriations, work program, and cost allocations for the Regional Planning Program for the two years 1966-67 and 1967-68 were approved by the General Assembly in February, 1966.

The Association's share of the cost was divided into two annual assessments, the first of which was collected this year. The second is included in the proposed budget as originally adopted by the General Assembly.

The federal share of the cost, in the form of a "701" grant, has been approved by the Department of Housing and Urban Development and accepted by the Association.

The cost elements of the Planning Program adopted by the General Assembly are summarized in Tables I and II. No additional policy action is needed to make it operational.

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TABLE I

REGIONAL PLANNING PROGRAM BUDGET

Item	1966-67	1967-68	Total
Salaries	$108,040	$113,750	$221,790
Services	7,000	25,000	32,000
Transportation	7,000	7,000	14,000
Publication	6,375	6,875	13,250
Other Expenses	13,400	13,400	26,800
Total	$141,815	$166,025	$307,840

TABLE II

FUND SOURCES FOR REGIONAL PLANNING PROGRAM

Source	1964-66	1966-68
Association Funds		
City-County Allocation	$11,769	$102,614
County-Only Allocation	58,824	xxx
State Dept. of Public Health	15,000	xxx
Federal Grant	171,186	205,226
Total	$256,779	$307,840

GENERAL FUND

The increases in the general fund budget reflect the rapid growth in Association activity which has occurred in the past few years and which is expected to continue in the future. Much of that growth has been generated by our own activities, such as the Goals and Organization Committee Program and the Regional Home Rule Proposal. Some were stimulated by new and additional regional planning requirements in connection with federal grants-in-aid to local agencies. Some are the result of suggestions from individual Association members that we broaden our activities to include new subjects.

Increases in personnel for general operations and for the Regional Planning Program require additional office space. The Planning Program Budget and the General Fund Budget make provisions for relocation of secondary offices, drafting room, storage areas, and duplication and mailing equipment to a convenient location elsewhere in the Hotel Claremont. They also provide for expansion and modernization of telephone and intercom facilities and minimum improvements to the existing offices.

The recommended budget allows for additional meetings of the General Assembly, for expansion of the activities of Association Committees, and for an intensification of our external relationships with interested organizations and persons in Sacramento as well as in the Bay Area.

The accounts for salaries provide for an additional one-half person in permanent clerical personnel and for greater use of part time and temporary personnel to handle routine accounting and peak work loads. They include appropriate salary increases for existing personnel. They will allow us to employ a secretary capable of freeing top staff from much of the detail clerical and follow-up work associated with meetings of the General Assembly, the Executive Committee and other committees.

FUTURE NEEDS

The recommended budget is designed to continue our present levelof operations with only such increases for 1967-68 as can be anticipated clearly at this time. In addition to those items mentioned above, there are three broad areas of concern which should be given special consideration in the months ahead.

Federal Grant Requirements: The Association's programs are accepted by the federal government as qualifying Bay Area local agencies for grants-in-aid which have regional review requirements. At the present time, that includes all grants for acquisition and/or development of open space; for basic water and sewage facilities; for urban mass transportation facilities; and for general planning. It also includes "bonus" grants for sewage treatment works.

Statutes already adopted and signed will extend the list as of July, 1967 to include all grants for construction and modernization of hospitals and other medical facilities; for airport development; for library construction; for sewage treatment works; for federal aid primary and secondary highways exclusive of the Interstate System; and for water development and land conservation projects.

The same statutes provide for a special bonus of up to 20% of project cost for such grants in cases where the Secretary of Housing and Urban Development finds that there is an adequate regional planning program, including arrangements for scheduling projects and coordinating those policies and activities of local agencies which affect the development of the region.

Although it is too soon to predict exactly how the new statutes will be administered, it is apparent that some strengthening of Association programs will be necessary to maintain the eligibility of the Bay Area for the basic grants and to qualify it for the 20% bonus.

The Goals and Organization Committee is focusing special emphasis on this question now. It is recommended that the Executive Committee and General Assembly encourage its efforts and give priority consideration to its recommendations when they are forthcoming.

1 - Accounting and Budgeting: The accounting and budgetary processes of the Association have grown enormously in volume and complexity during the last few years as a result of the following factors:

a. Over-all growth in activities financed by the General Fund.

b. The decision to carry out major work programs, such as the Regional Planning Program and the Goals and Organization Program, as special projects financed partly with "701" grants from the federal government.

c. The decision to assist other organizations, such as the University of California and the Bay Area Transportation Study Commission, by serving as the vehicle through which they receive "701" grants from the federal government. Even where Association money is not involved, as is the case with the University of California Project, it is ABAG and not the assisted agency which is responsible to the federal government for completion of the work program and for adequate accounting and budgetary control.

At the present time, the Association has administrative and financial responsibility, for five separate "701" grant projects involving a total amount of $2,314,206.

Federal regulations require that each "701" project be treated as a separate and independent enterprise for accounting and budgetary purposes.

There is no question of the adequacy of our accounting procedures and auditing practices from a legal point-of-view. However, because of growth, they no longer provide the complete and up-to-date information which is desirable for purposes of policy making in the first instance and management control of expenditures in the second.

During 1967-68, we should undertake the design of a unified accounting and budgetary system which will meet present and emerging needs.

That task should be undertaken by the Finance Subcommittee working with staff, assisted as necessary by the Certified Public Accountant who does our auditing. Whatever minor cost is involved will be more than compensated by improved efficiency and increased revenues from investment of idle funds.

2 - Public Information: An expanded and improved program of public information is essential if the Association is to carry out its commitments and objectives in the months ahead.

The Subcommittee has no detailed recommendations at this time. It does believe that the Executive Committee should give the matter special attention either directly or with assistance of a special committee.

EXHIBIT "A"

REVENUES AND COST ALLOCATIONS: 1967-68

ITEM	ACTUAL: 1965-66		ESTIMATED: 1966-67		PROPOSED: 1967-68	
	RATE/CAPITA	AMOUNT	RATE/CAPITA	AMOUNT	RATE/CAPITA	AMOUNT
Regular Member Dues						
Cities	$0.0076174	$ 25,394	$0.0077499	$ 26,750	$0.0095486	$ 34,975
Counties	$0.0072464	$ 25,394	$0.0064801	$ 26,750	$0.0084725	$ 34,975
ABAG Planning Program						
Cities	$0.00088	$ 2,942	$0.0074323	$ 25,653	$0.0070036	$ 25,653
Counties	$0.00923	$ 32,355	$0.0062143	$ 25,653	$0.0062143	$ 25,653
ABAG-BATSC "701" Project						
Counties	$0.0155987	$ 55,000	$0.0244043	$120,000	xxx	xxx
Subtotals						
Cities	$0.0084974	$ 28,336	$0.0151822	$ 52,403	$0.0165522	$ 60,628
Counties	$0.0320751	$112,749	$0.0370987	$172,403	$0.0146868	$ 60,628
Cooperative Member Dues		xxx		$ 500		$ 1,500
Service Charges		$ 181		$ 200		$ 200
Interest		$ 3,064		$ 3,000		$ 3,000
Prior Year Revenue		xxx		xxx		$ 7,300
Total		$144,330		$228,506		$133,256
Population						
Cities	3,333,567		3,451,625		3,662,803	
Counties	3,504,342		4,128,017		4,128,017	

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EXHIBIT "B"

GENERAL FUND BUDGET: 1967-68

APPROPRIATIONS

ITEM	ACTUAL 1965-66	ESTIMATED 1966-67	PROPOSED 1967-68
SALARIES			
Permanent Employees	$ 29,844	$ 37,700	$ 47,950
Part time and Temporary Employees	2,555	1,100	2,200
Social Security	762	800	1,200
Subtotal, Salaries	$ 33,161	$ 39,600	$ 51,350
Less Project Credits	xxx	4,000	5,000
Net, Salaries	$ 33,161	$ 35,600	$ 46,350
OTHER CHARGES			
Legal Services	$ xxx	$ 2,400	$ 3,000
Rent and Janitorial	915	1,000	3,000
Office Supplies and Expense	1,226	1,800	2,000
Printing and Publication	xxx	2,500	2,500
Telephone	1,700	1,740	2,500
Insurance	882	1,348	1,500
Mailing	1,646	1,000	2,000
Conference and Meetings	1,555	1,500	2,000
Staff and Travel Expense, General Operations	3,254	3,500	4,500
Staff and Travel Expense, Planning	xxx	xxx	2,000
Motor Vehicle Expense	1,517	2,000	2,100
Contribution to GO Program	xxx	4,000	xxx
Miscellaneous and Contingency	29	100	6,000
Subtotal, Other Charges	$ 12,724	$ 22,888	$ 33,100
CAPITAL OUTLAY			
Office Equipment	$ 695	$ 1,500	$ 2,500
Subtotal, Capital Outlay	$ 695	$ 1,500	$ 2,500
TOTAL	$ 46,580	$ 59,988	$ 81,950

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EXHIBIT B-1

GENERAL FUND BUDGET 1967-68

SALARY DETAIL

Executive Director	$ 23,000
Ass't to Director	$ 10,500
Secretary	$ 6,500
Steno-Clerk	$ 5,400
Steno-Clerk (½ time)	$ 2,550
Part Time and Temporary Employees	$ 2,200
Social Security	$ 1,200
Subtotal	$ 51,350
Less Project Credits	$ 5,000
Net Total	$ 46,350

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